



Sen. Carole Pankau

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1 AMENDMENT TO SENATE BILL 3334

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3334, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Property Tax Code is amended by changing  
6 Sections 16-55, 16-65, 17-10, and 31-25 and by adding Sections  
7 1-23 and 16-183 as follows:

8 (35 ILCS 200/1-23 new)

9 Sec. 1-23. Compulsory sale. "Compulsory sale" means (i) the  
10 sale of residential real estate for less than the amount owed  
11 to the mortgage lender or mortgagor, if the lender or mortgagor  
12 has agreed to the sale, commonly referred to as a "short sale"  
13 and (ii) the first sale of residential real estate owned by a  
14 financial institution as a result of a judgment of foreclosure,  
15 transfer pursuant to a deed in lieu of foreclosure, or consent  
16 judgment, occurring after the foreclosure proceeding is

1 complete.

2 (35 ILCS 200/16-55)

3 Sec. 16-55. Complaints. On written complaint that any  
4 property is overassessed or underassessed, the board shall  
5 review the assessment, and correct it, as appears to be just,  
6 but in no case shall the property be assessed at a higher  
7 percentage of fair cash value than other property in the  
8 assessment district prior to equalization by the board or the  
9 Department. The board shall include compulsory sales in  
10 reviewing and correcting assessments, including, but not  
11 limited to, those compulsory sales submitted by the taxpayer,  
12 if the board determines that those sales reflect the same  
13 property characteristics as those originally used to make the  
14 assessment. The board shall also consider whether the  
15 compulsory sale would otherwise be considered an arm's-length  
16 transaction. A complaint to affect the assessment for the  
17 current year shall be filed on or before the 10th day of August  
18 in counties with less than 150,000 inhabitants and on or before  
19 the 10th day of September in counties with 150,000 or more but  
20 less than 3,000,000 inhabitants, except if the assessment books  
21 containing the assessment complained of are not filed with the  
22 board of review by the 10th day of July in a county with fewer  
23 than 150,000 inhabitants or by the 10th day of August in a  
24 county with 150,000 or more but less than 3,000,000  
25 inhabitants, then the complaint shall be filed on or before 30

1 calendar days after the date of publication of the assessment  
2 list under Section 12-10. The board may also, at any time  
3 before its revision of the assessments is completed in every  
4 year, increase, reduce or otherwise adjust the assessment of  
5 any property, making changes in the valuation as may be just,  
6 and shall have full power over the assessment of any person and  
7 may do anything in regard thereto that it may deem necessary to  
8 make a just assessment, but the property shall not be assessed  
9 at a higher percentage of fair cash value than the assessed  
10 valuation of other property in the assessment district prior to  
11 equalization by the board or the Department. No assessment  
12 shall be increased until the person to be affected has been  
13 notified and given an opportunity to be heard, except as  
14 provided below. Before making any reduction in assessments of  
15 its own motion, the board of review shall give notice to the  
16 assessor or chief county assessment officer who certified the  
17 assessment, and give the assessor or chief county assessment  
18 officer an opportunity to be heard thereon. All complaints of  
19 errors in assessments of property shall be in writing, and  
20 shall be filed by the complaining party with the board of  
21 review, in duplicate. The duplicate shall be filed by the board  
22 of review with the assessor or chief county assessment officer  
23 who certified the assessment. In all cases where a change in  
24 assessed valuation of \$100,000 or more is sought, the board of  
25 review shall also serve a copy of the petition on all taxing  
26 districts as shown on the last available tax bill at least 14

1 days prior to the hearing on the complaint. All taxing  
2 districts shall have an opportunity to be heard on the  
3 complaint. Complaints shall be classified by townships or  
4 taxing districts by the clerk of the board of review. All  
5 classes of complaints shall be docketed numerically, each in  
6 its own class, in the order in which they are presented, in  
7 books kept for that purpose, which books shall be open to  
8 public inspection. Complaints shall be considered by townships  
9 or taxing districts until all complaints have been heard and  
10 passed upon by the board.

11 (Source: P.A. 86-345; 86-413; 86-1028; 86-1481; 88-455.)

12 (35 ILCS 200/16-65)

13 Sec. 16-65. Equalization process. The board of review shall  
14 act as an equalizing authority, if after equalization by the  
15 supervisor of assessments the equalized assessed value of  
16 property in the county is not 33 1/3% of the total fair cash  
17 value. The board shall, after notice and hearing as required by  
18 Section 12-40, lower or raise the total assessed value of  
19 property in any assessment district within the county so that  
20 the property, other than farm and coal property assessed under  
21 Sections 10-110 through 10-140 and Sections 10-170 through  
22 10-200, will be assessed at 33 1/3% of its fair cash value.

23 For each assessment district of the county, the board of  
24 review shall annually determine the percentage relationship  
25 between the valuations at which property other than farm and

1 coal property is listed and the estimated 33 1/3% of the fair  
2 cash value of such property. To make this analysis, the board  
3 shall use at least 25 property transfers, or a combination of  
4 at least 25 property transfers and property appraisals, such  
5 information as may be submitted by interested taxing bodies, or  
6 any other means as it deems proper and reasonable. If there are  
7 not 25 property transfers available, or if these 25 property  
8 transfers do not represent a fair sample of the types of  
9 properties and their proportional distribution in the  
10 assessment district, the board shall select a random sample of  
11 properties of a number necessary to provide a combination of at  
12 least 25 property transfers and property appraisals as much as  
13 possible representative of the entire assessment district, and  
14 provide for their appraisal. The township or multi-township  
15 assessor shall be notified of and participate in the  
16 deliberations and determinations.

17 In assessment year 2011, the board of review shall consider  
18 compulsory sales in its equalization process.

19 Beginning in assessment year 2012, the board of review, in  
20 conjunction with the chief county assessment officer, shall  
21 determine the number of residential compulsory sales from the  
22 prior year for the purpose of revising and correcting  
23 assessments. The board of review shall determine if the number  
24 of compulsory property transfers is at least 25% of all  
25 residential property transfers within the neighborhood,  
26 township, multi-township assessment district, or other

1 specific geographic region in the county, but shall exclude  
2 from the calculation (i) all property transfers for which the  
3 property characteristics are not the same as those  
4 characteristics used to determine the assessed value and (ii)  
5 any property transfer that is not an arm's-length transaction  
6 based on existing sales ratio study standards (except for  
7 compulsory transfers). If the board determines that the number  
8 of residential compulsory transfers is at least 25% of all  
9 residential real estate transfers within the defined  
10 geographic region, then the board of review must determine (i)  
11 the residential median assessment level of arm's-length  
12 transactions and (ii) the residential median assessment level  
13 of compulsory sales. If the median assessment level of  
14 compulsory sales is higher than the median assessment level of  
15 arm's-length transactions, then compulsory sales shall be  
16 included in the arm's-length transaction study and the board  
17 must calculate the new median assessment level. Assessed values  
18 of residential properties within the specific geographic area  
19 must be revised to reflect this new median assessment level.  
20 The revised median assessment level shall be the basis for  
21 equalization as otherwise provided in this Section.

22       With the ratio determined for each assessment district, the  
23 board shall ascertain the amount to be added or deducted from  
24 the aggregate assessment on property subject to local  
25 assessment jurisdiction, other than farm and coal property, to  
26 produce a ratio of assessed value to 33 1/3% of the fair cash

1 value equivalent to 100%. However, in determining the amount to  
2 be added to the aggregate assessment on property subject to  
3 local jurisdiction in order to produce a ratio of assessed  
4 value to 33 1/3% of the fair cash value equivalent to 100%, the  
5 board shall not, in any one year, increase or decrease the  
6 aggregate assessment of any assessment district by more than  
7 25% of the equalized valuation of the district for the previous  
8 year, except that additions, deletions or depletions to the  
9 taxable property shall be excluded in computing the 25%  
10 limitation. The board shall complete the equalization by the  
11 date prescribed in Section 16-35 for the board's adjournment,  
12 and, within 10 days thereafter, shall report the results of its  
13 work under this Section to the Department. At least 30 days  
14 prior to its adjournment, the board shall publish a notice  
15 declaring whether it intends to equalize assessments as  
16 provided in this Section. The notice shall be published in a  
17 newspaper of general circulation in the county. If the board  
18 fails to report to the Department within the required time, or  
19 if the report discloses that the board has failed to make a  
20 proper and adequate equalization of assessments, the  
21 Department shall direct, determine, and supervise the  
22 assessment so that all assessments of property are relatively  
23 just and equal as provided in Section 8-5.

24 (Source: P.A. 84-1343; 88-455.)

1       Sec. 16-183. Compulsory sales. The Property Tax Appeal  
2 Board shall consider compulsory sales of comparable properties  
3 for the purpose of revising and correcting assessments,  
4 including those compulsory sales of comparable properties  
5 submitted by the taxpayer.

6           (35 ILCS 200/17-10)

7       Sec. 17-10. Sales ratio studies. The Department shall  
8 monitor the quality of local assessments by designing,  
9 preparing and using ratio studies, and shall use the results as  
10 the basis for equalization decisions. In compiling sales ratio  
11 studies, the Department shall exclude from the reported sales  
12 price of any property any amounts included for personal  
13 property and, for sales occurring through December 31, 1999,  
14 shall exclude seller paid points. The Department shall not  
15 include in its sales ratio studies sales of property which have  
16 been platted and for which an increase in the assessed  
17 valuation is restricted by Section 10-30. The Department shall  
18 not include in its sales ratio studies the initial sale of  
19 residential property that has been converted to condominium  
20 property. The Department shall include compulsory sales  
21 occurring on or after January 1, 2011 in its sales ratio  
22 studies.

23       When the declaration required under the Real Estate  
24 Transfer Tax Law contains financing information required under  
25 Section 31-25, the Department shall adjust sales prices to

1 exclude seller-paid points and shall adjust sales prices to  
2 "cash value" when seller related financing is used that is  
3 different than the prevailing cost of cash. The prevailing cost  
4 of cash for sales occurring on or after January 1, 1992 shall  
5 be established as the monthly average 30-year fixed Primary  
6 Mortgage Market Survey rate for the North Central Region as  
7 published weekly by the Federal Home Loan Mortgage Corporation,  
8 as computed by the Department, or such other rate as determined  
9 by the Department. This rate shall be known as the survey rate.  
10 For sales occurring on or after January 1, 1992, through  
11 December 31, 1999, adjustments in the prevailing cost of cash  
12 shall be made only after the survey rate has been at or above  
13 13% for 12 consecutive months and will continue until the  
14 survey rate has been below 13% for 12 consecutive months. For  
15 sales occurring on or after January 1, 2000, adjustments for  
16 seller paid points and adjustments in the prevailing cost of  
17 cash shall be made only after the survey rate has been at or  
18 above 13% for 12 consecutive months and will continue until the  
19 survey rate has been below 13% for 12 consecutive months. The  
20 Department shall make public its adjustment procedure upon  
21 request.

22 (Source: P.A. 91-555, eff. 1-1-00.)

23 (35 ILCS 200/31-25)

24 Sec. 31-25. Transfer declaration. At the time a deed, a  
25 document transferring a controlling interest in real property,

1 or trust document is presented for recordation, or within 3  
2 business days after the transfer is effected, whichever is  
3 earlier, there shall also be presented to the recorder or  
4 registrar of titles a declaration, signed by at least one of  
5 the sellers and also signed by at least one of the buyers in  
6 the transaction or by the attorneys or agents for the sellers  
7 or buyers. The declaration shall state information including,  
8 but not limited to: (a) the value of the real property or  
9 beneficial interest in real property located in Illinois so  
10 transferred; (b) the parcel identifying number of the property;  
11 (c) the legal description of the property; (d) the date of the  
12 deed, the date the transfer was effected, or the date of the  
13 trust document; (e) the type of deed, transfer, or trust  
14 document; (f) the address of the property; (g) the type of  
15 improvement, if any, on the property; (h) information as to  
16 whether the transfer is between related individuals or  
17 corporate affiliates or is a compulsory transaction; (i) the  
18 lot size or acreage; (j) the value of personal property sold  
19 with the real estate; (k) the year the contract was initiated  
20 if an installment sale; (l) any homestead exemptions, as  
21 provided in Sections 15-170, 15-172, 15-175, and 15-176 as  
22 reflected on the most recent annual tax bill; ~~and~~ (m) the name,  
23 address, and telephone number of the person preparing the  
24 declaration; and (n) whether the transfer is pursuant to  
25 compulsory sale. Except as provided in Section 31-45, a deed, a  
26 document transferring a controlling interest in real property,

1 or trust document shall not be accepted for recordation unless  
2 it is accompanied by a declaration containing all the  
3 information requested in the declaration. When the declaration  
4 is signed by an attorney or agent on behalf of sellers or  
5 buyers who have the power of direction to deal with the title  
6 to the real estate under a land trust agreement, the trustee  
7 being the mere repository of record legal title with a duty of  
8 conveying the real estate only when and if directed in writing  
9 by the beneficiary or beneficiaries having the power of  
10 direction, the attorneys or agents executing the declaration on  
11 behalf of the sellers or buyers need identify only the land  
12 trust that is the repository of record legal title and not the  
13 beneficiary or beneficiaries having the power of direction  
14 under the land trust agreement. The declaration form shall be  
15 prescribed by the Department and shall contain sales  
16 information questions. For sales occurring during a period in  
17 which the provisions of Section 17-10 require the Department to  
18 adjust sale prices for seller paid points and prevailing cost  
19 of cash, the declaration form shall contain questions regarding  
20 the financing of the sale. The subject of the financing  
21 questions shall include any direct seller participation in the  
22 financing of the sale or information on financing that is  
23 unconventional so as to affect the fair cash value received by  
24 the seller. The intent of the sales and financing questions is  
25 to aid in the reduction in the number of buyers required to  
26 provide financing information necessary for the adjustment

1 outlined in Section 17-10. For sales occurring during a period  
2 in which the provisions of Section 17-10 require the Department  
3 to adjust sale prices for seller paid points and prevailing  
4 cost of cash, the declaration form shall include, at a minimum,  
5 the following data: (a) seller paid points, (b) the sales  
6 price, (c) type of financing (conventional, VA, FHA,  
7 seller-financed, or other), (d) down payment, (e) term, (f)  
8 interest rate, (g) type and description of interest rate  
9 (fixed, adjustable or renegotiable), and (h) an appropriate  
10 place for the inclusion of special facts or circumstances, if  
11 any. The Department shall provide an adequate supply of forms  
12 to each recorder and registrar of titles in the State.

13 (Source: P.A. 93-657, eff. 6-1-04; 94-489, eff. 8-8-05.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law."